EthiFinance Ratings

IM BCC CAJAMAR 1, FT

V87449823 STRUCTURED FINANCE

AAA(sf) INSTRUMENT RATING
IM BCC CAJAMAR 1 FT
RMBS CLASE A

BB+(sf) INSTRUMENT RATING
IM BCC CAJAMAR 1 FT
RMBS CLASE B

Initiation date 12/04/2016
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Rating Action

EthiFinance Ratings ("the Agency") has affirmed the rating of the Class A of AAA (sf) and the Class B notes of BB+ (sf) issued by IM BCC CAJAMAR 1, FT.

Executive Summary

IM BCC CAJAMAR 1, FT (the "FT" or the "Fund"), is a granular securitization fund with a static pool of secured loans structured under Spanish Legislation. The Fund was established with the purpose of funding and liquidity. The collateral consists of a portfolio of residential mortgage loans originated and serviced by Cajamar Caja Rural, Sociedad Cooperativa de Crédito ("Cajamar"). The legal maturity date is March 20, 2059.

The main drivers analyzed by EthiFinance Ratings are the macroeconomic environment that influences interest rates, prepayment rates, and housing prices affecting the Loan to Value ratio.

Class	Rating	Inicial Amount (Thousands €)	Amount (Thousands €) Nov 2023	Coupon	Credit Enhancement Nov 2022	Credit Enhancement Nov 2023	Legal Maturity Date
A	AAA(sf)	615,000 €	200,235 €	EUR1M + 0.20%	39.78%	46.98%	20/03/2059
B	BB+(sf)	135,000 €	135,000 €	EUR1M + 0.30%	5.68%	6.71%	20/03/2059
Reserve Fund	-	22,500 €	22,500 €				

Source: InterMoney Titulización S.G.F.T., S.A.

Rating Fundamentals

- **The Credit Enhancement (CE) of Tranche A and B has risen**. This rise is attributed to organic amortization, with Tranche A going up from 39.78% to 46.98%, and Tranche B from 5.68% to 6.71% between November 2022 and November 2023.
- **The Probability of Default (PD) of the Loan Portfolio has decreased from 5.0% in November 2022 to 4.8% in November 2023.** The decrease in the PD is explained by the organic amortization of the portfolio and the lower Loan to Value.
- **The accumulated Default Rate has risen by 0.11% since the last review.** It was initially set at 0.58% in November 2022 and increased to 0.69% in November 2023, influenced by multiple interest rate hikes during this period.
- **The Combined Loan To Value (CLTV) maintains its declining trajectory, reaching 51.7% in November 2023 vs. 53.9% in November 2022.** Since the inception of the Fund, the CLTV has consistently followed a downward trend, hovering close to 50%, a favourable scenario in the event of foreclosures. The Combined Loan to Value represents the weighted average of the LTV of the Loans.
- **The lifetime prepayments have increased.** The lifetime prepayment reached 5.8% in November 2023 vs. 4.9% in November 2022. We expect the prepayment to increase gradually considering the recent monthly prepayment rate, which reached 11.4% in November 2023.

Sensitivity Analysis

Factors that could (individually or collectively) impact the rating

- **Positive factors**

An improvement in the Credit Enhancement of the Fund given a lower LTV and lower level of defaults. Additionally, for Tranche B, it is necessary to achieve the same higher rating in all the stress tests.

- **Negative factors**

Worsening of the macroeconomic conditions may result in a diminished valuation of the collateral. As well, combined with an environment characterized by surging high interest rates could adversely affect the debtor's ability to meet its financial commitments.

Description of the Transaction

IM BCC CAJAMAR 1, FT is a granular securitization fund with a static pool of secured loans structured under Spanish legislation, thus closed by the asset and liability side. The collateral consists of a portfolio of residential mortgage loans originated and serviced by Cajamar. In November 2023 the Fund had assets and a reserve fund for an amount of € 357,735,262 and liabilities for € 335,235,267.

Main figures	
Issuer	IM BCC Cajamar 1, FT
Purpose	Liquidity and Funding
Fund Type	Closed
Asset Class	Residential Mortgage Loans
Constitution Date	15/01/2016
Closing Date	22/01/2016
Assets and Reserve Fund (November 2023)	€ 357,735,262
Liabilities (November 2023)	€ 335,235,267
Listing	AIAF
Settlement	IBERCLEAR
Clean-Up Call	10%
Payment Dates	20th of each month
Legal Maturity Date	20/03/2059

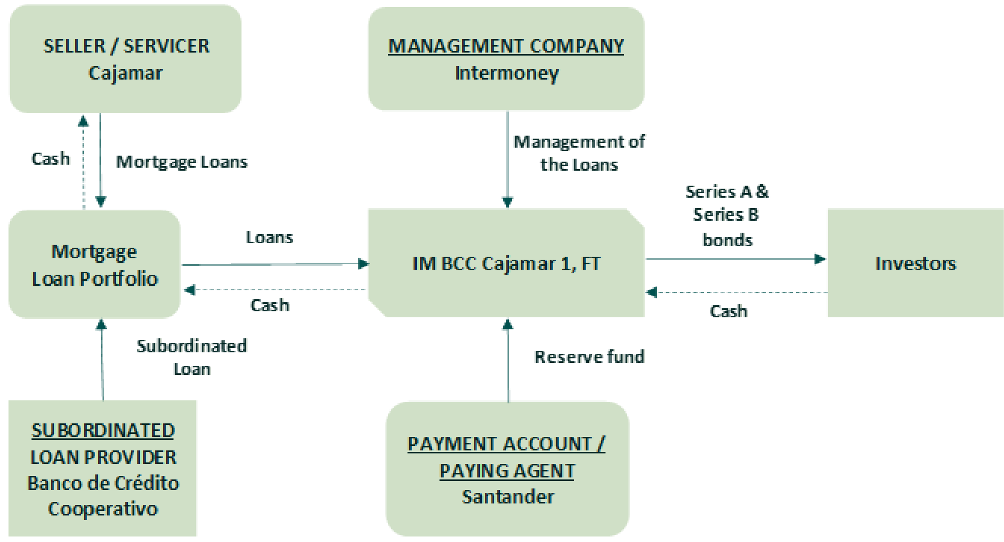
Source: InterMoney Titulización S.G.F.T., S.A.

Participants

Participants	
Sponsor	Cajamar, Caja Rural, S.C.C
Servicer	Cajamar, Caja Rural, S.C.C
Arranger	Cajamar, Caja Rural, S.C.C
Management Company	Intermoney Titulización S.G.F.T., S.A.
Paying Agent	Banco Santander, S.A
Bank Account	Banco Santander, S.A.
Auditor	PriceWaterhouseCoopers Auditores, S.L
Legal Adviser	J&A GARRIGUES, S.L.P

Source: InterMoney Titulización S.G.F.T., S.A.

Operation Diagram



*Source: Termsheet of the transaction

1. Collateral Characteristics and Eligibility Criteria

1.1 Portfolio Performance and Characteristics

In November of 2023, the Fund's portfolio has been performing correctly considering its low total default in a high-interest rate environment and where the majority of the loans are at variable rates. The portfolio has a low concentration of loans and this can be observed in the ratio of Principal Outstanding to Number of Loans, which in the beginning was € 89,434.7 per loan and changed to € 67,071.8 per loan in November 2022 and to € 63,049.7 per loan in November 2023. The concentration of the portfolio remains low with the 25 highest debtors accounting for 2.40% of the total portfolio. The weighted average seasoning stands at 13,1 years and the weighted average maturity on 19,2 years.

	2022 Portfolio	2023 Portfolio
Number of Loans	5,903	5,317
Number of Customers	5,300	4,789
Principal Outstanding	€ 395,925,151	€ 335,235,262
Weighted Average Seasoning (Months)	144	157
Weighted Average Maturity (Months)	241	230
Total Accumulated Default	0.58%	0.69%

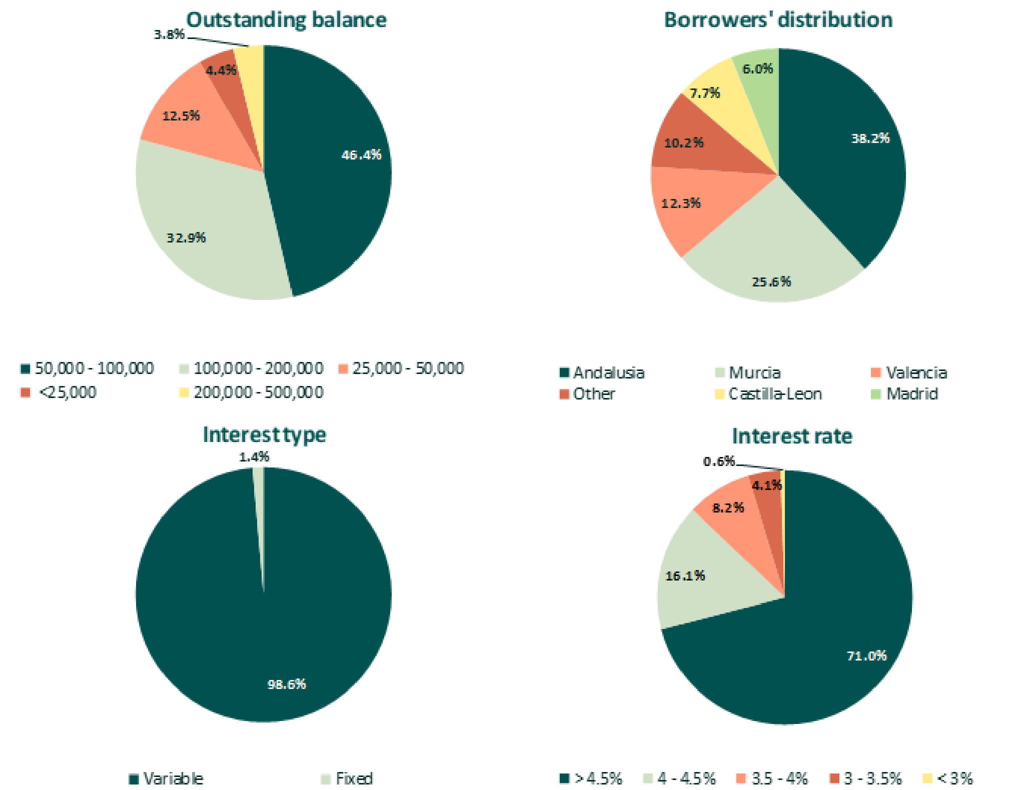
Source: InterMoney Titulización S.G.F.T., S.A. at November 2023.

The outstanding balance of the portfolio is predominantly in the € 50,000 to € 100,000 and € 100,000 to € 200,000 brackets, accounting for a total of 79.1%. The distribution of borrowers is concentrated in Andalusia (38.2%) and Murcia (25.6%), with a similar distribution to the last review.

The interest rate distribution of the loan portfolio has changed: the portfolio that has a fixed rate represented 0.07% of the total in November 2022, and increased to 1.4% in November 2023; while the portfolio at variable rate is 98.6%. The change is significant because in the last monthly report the classification provided by Intermoney, changed, and now they are including a category called "mixed interest rate", that initially applies floating interest rate for a certain period and later switches to fixed interest rate or viceversa. In the November report, 33.1% of the portfolio is classified as mixed interest, with a 31.7% classified as floating and the rest 1.4% as fixed.

Lastly, the interest rate distribution of the buckets of the loan portfolio has changed primarily influenced by the surge in interest rates by the European Central Bank. The most prevalent bucket now consists of loans with a 4.5% interest rate or higher, while a lower than 3% interest rate bucket constitutes less than 1% of the portfolio.

Portfolio distribution



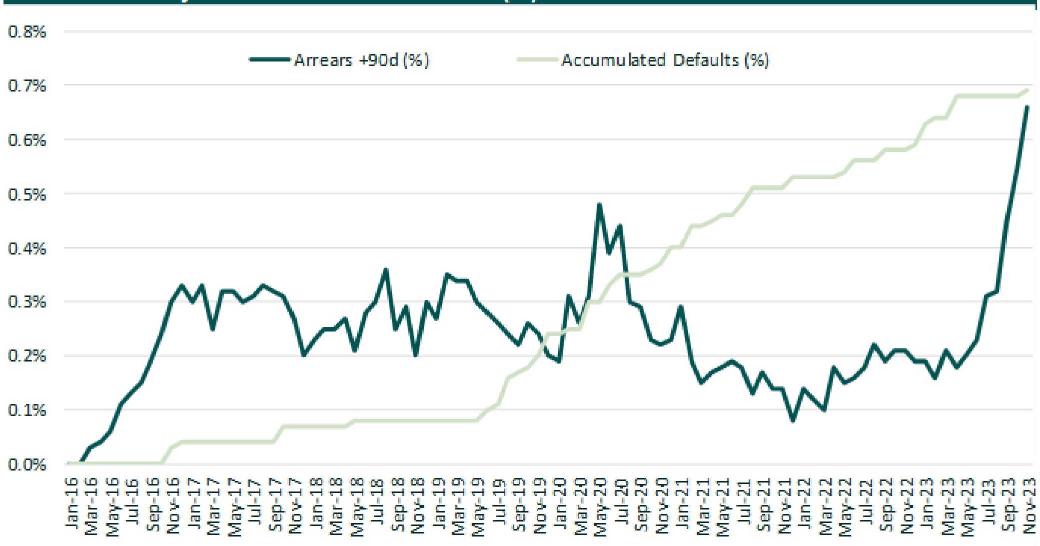
Source: Elaborated by EthiFinance Ratings with information from InterMoney Titulización S.G.F.T., S.A.

1.2 Arrears +90 days and Accumulated Defaults

As of November 2023, the +90 days arrears reached 0.66%, which is more than triple compared to November 2022 with 0.21%. Additionally, the mean from January 2022 to November 2022 of the average +90 days arrears rate has increased for the same period in 2023, from 0.17% to 0.31% respectively. In terms of number of loans defaulted, it has quadrupled: from 7 in November 2022 to 28 in November 2023.

Concerning the default rate, the accumulated default rate from November 2022 to November 2023 has worsened with an increase of 0.11% points. The average of the defaulted assets from January 2023 to November 2023 has increased to € 181,071.0 compared to the same metric in 2022 which was € 150,517.0. The loans are considered defaulted if: i) they have been in arrears for a period of 12 or more months, ii) if the Management Company classifies them as defaulted, iii) if the borrower of the loan has been declared insolvent. The accumulated default measures the percentage of accumulated defaulted loans since the beginning of the fund and does not consider recoveries, whereas the +90 days arrears only reflect the amount that is overdue at a specific moment in time but the amounts in arrears are expected to be paid later by the debtors.

Arrears + 90 day and Accumulated Defaults (%)



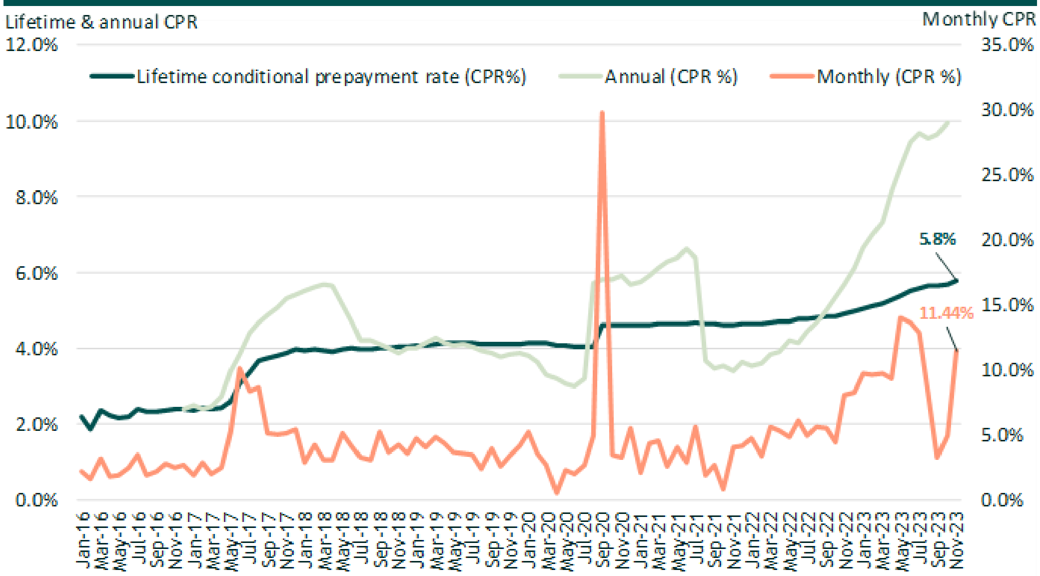
Source: Elaborated by EthiFinance Ratings with information from InterMoney Titulización S.G.F.T., S.A.

1.3 Conditional Prepayment Rate (CPR %)

The left axis represented by the Lifetime Conditional Prepayment displays an increase of 0.9% vs last year, hitting 5.8% in November of 2023. The Annual CPR, which is the weighted average of the last 12 months of the monthly prepayment rate represented in the left axis, has increased sharply since 2022 and almost doubled, reaching 9.9% in November 2023.

On the right axis, the monthly prepayment has been increasing since November 2022, although there were months in which the prepayment rate stood lower, such as September and October of 2023 with 3.20% and 4.92% respectively. Even with these high rates of prepayment, the structure remains resilient, as previously stated in past years.

Lifetime conditional prepayment rate (%)

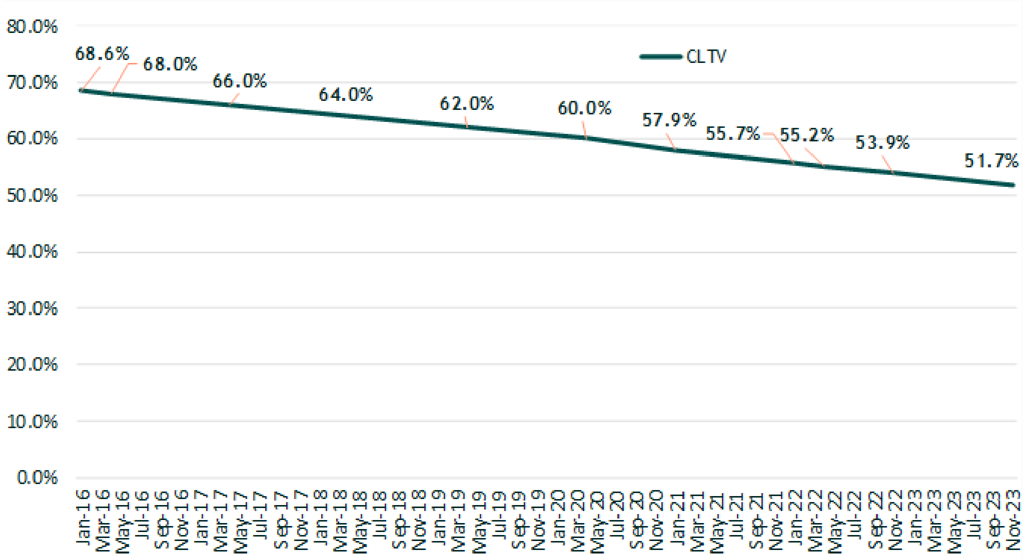


Source: Elaborated by EthiFinance Ratings with information from InterMoney Titulización S.G.F.T., S.A.

1.4 Combined Loan to Value Rate (CLTV %)

The Combined Loan to Value Rate shows a descending trendline as a result of the organic amortization of the portfolio, implying an adequate performance.

Combined Loan to Value Rate (CLTV %)



Source: Elaborated by EthiFinance Ratings with information from InterMoney Titulización S.G.F.T., S.A.

2. Quantitative Analysis

To achieve the Probability of Default (PD) of the portfolio, EthiFinance assigns the value of 1.85% as the initial PD of each loan and subsequently applies various factors depending on several loan characteristics such as LTV, seasoning, number of months in arrears or type of debtor. The result is a Portfolio's PD of 4.8%, which is an improvement compared to the PD of 5.0% from November 2022. This progress in a lower PD is mainly explained by the organic amortization of the loans due to the reduction of the LTV.

To attain the current value of the collateral, EthiFinance Ratings calculates the Market Value Decline to achieve the Recovery Rates using information from the "Instituto Nacional de Estadística" (INE). Both Market Value Decline matrix and the Recovery Rate matrix are used to reach the Recovery Rates for each level of rating. Additionally, a 10.0% cost is added as foreclosure cost.

Finally, the Portfolio Probability of Default (PD) is incorporated into the RMBS model to determine the minimum values that each rating must attain. Using these values that withstand each level of rating as well as the recoveries, various sensitivity analyses are performed on the different tranches to test if the ratings are supported. In these sensitivity analyses, we stress the Default Rate (DR), the Recovery Rate (RR), and a combination of both (DR & RR).

To conclude, according to EthiFinance Ratings Tranche B has been able to perform more than adequate for the BB+ in some scenarios. However, this is not enough to consider an upgrade since not all or nearly all the stress test results guarantee at least a BBB- rating.

	2022		2023		2024	
Sensitivities	**Class A**	**Class B**	**Class A**	**Class B**	**Class A**	**Class B**
DR +20%	AAA(sf)	BB+(sf)	AAA(sf)	BB+(sf)	AAA(sf)	A-(sf)
DR +40%	AAA(sf)	BB+(sf)	AAA(sf)	BB+(sf)	AAA(sf)	BBB+(sf)
RR - 20%	AAA(sf)	BB+(sf)	AAA(sf)	BB+(sf)	AAA(sf)	BBB+(sf)
RR - 40%	AAA(sf)	BB(sf)	AAA(sf)	BB+(sf)	AAA(sf)	BB+(sf)
DR +20% & RR - 20%	AAA(sf)	BB(sf)	AAA(sf)	BB+(sf)	AAA(sf)	BBB-(sf)
DR +40% & RR - 40%	AAA(sf)	B+(sf)	AAA(sf)	BB-(sf)	AAA(sf)	BB(sf)

Sources of information

The credit rating assigned in this report has been made solicited by the originator of the assets, taking part in the process. The credit rating is based in:

1. Public information from public access sources.
2. Information provided by the originator of assets assigned or that shall be assigned to the securitization fund.

From the time of the assignment of the credit rating, all information provided by the originator of the assets, by the servicer of the assets (other than the originator) o by a third participant in the transaction, shall be reviewed and analyzed with the aim to assess the following issues:

1. The performance of the credit quality of the assets comprising the collateral of the Fund.
2. The level of credit enhancement.
3. The evolution of the quantitative triggers of the Fund.
4. The evolution of the qualitative triggers (counterparty risks).

The information has been thoroughly reviewed to ensure that it is valid, coherent and consistent and it is considered as satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information provided and the conclusions drawn from it.

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
    - Structured Finance Rating Methodology : https://files.qivalio.net/documents/methodologies/Structured%20Finance%20Rating%20Methodology%20-%20Generic.pdf
- The rating scale used in this report is available at https://www.ethifinance.com/en/ratings/ratingScale.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.